

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 13-291—sHB 6490

Finance, Revenue and Bonding Committee

**AN ACT CONCERNING GRANTS IN LIEU OF TAXES FOR LEDYARD
AND MONTVILLE AND REPEALING A DEFICIT REPORTING
REQUIREMENT**

SUMMARY: This act requires certain Mohegan and Mashantucket Pequot property to be revalued every five years. It applies to real property (1) designated within the 1983 settlement boundary and taken into trust by the federal government for the Mashantucket Pequots before June 8, 1999 and (2) taken into trust by the federal government for the Mohegans at any time. Prior law exempted this property from revaluation.

PA 12-1, June 12 Special Session (§ 98) made this land eligible for a state payment in lieu of taxes (PILOT) grant equal to 45% of the property taxes that would have been paid on the land and phased in the payment over five years (see BACKGROUND). By law, PILOT grants are based on a property's assessed value as of the prior October 1. Thus, by requiring the Mohegan and Mashantucket property to be revalued, the act also ties the land's PILOT grant to its revalued assessment.

The act also eliminates the requirement that the governor report to the General Assembly in October, January, and April on whether a deficit is projected for the current fiscal year. Existing law, unchanged by the act, requires the Office of Policy and Management secretary to submit (1) monthly reports on potential deficiencies in appropriation accounts to the governor, comptroller, and legislature (CGS § 2-36); (2) monthly budget projections to the state comptroller (CGS § 4-66); and (3) together with the Office of Fiscal Analysis, annual fiscal accountability reports to the legislature each November (CGS § 2-36b).

EFFECTIVE DATE: July 1, 2013 and applicable to assessment years starting on or after October 1, 2013, except that the reporting provision is effective upon passage.

BACKGROUND

PILOT Grants for Tribal Land

The law requires the state to pay a PILOT grant of 100% of the property taxes that would have been paid for land the federal government took into trust for the Mashantucket Pequots on or after June 8, 1999 that was designated within the 1983 settlement boundary. Under PA 12-1, June 12 Special Session, the state must also pay a 45% PILOT grant for land the federal government took into trust for the (1) Mashantucket Pequots before this date that is within the boundary and (2) Mohegans at any time, phased in over five years.

OLR PUBLIC ACT SUMMARY

OLR Tracking: RP:JR:TA:ts